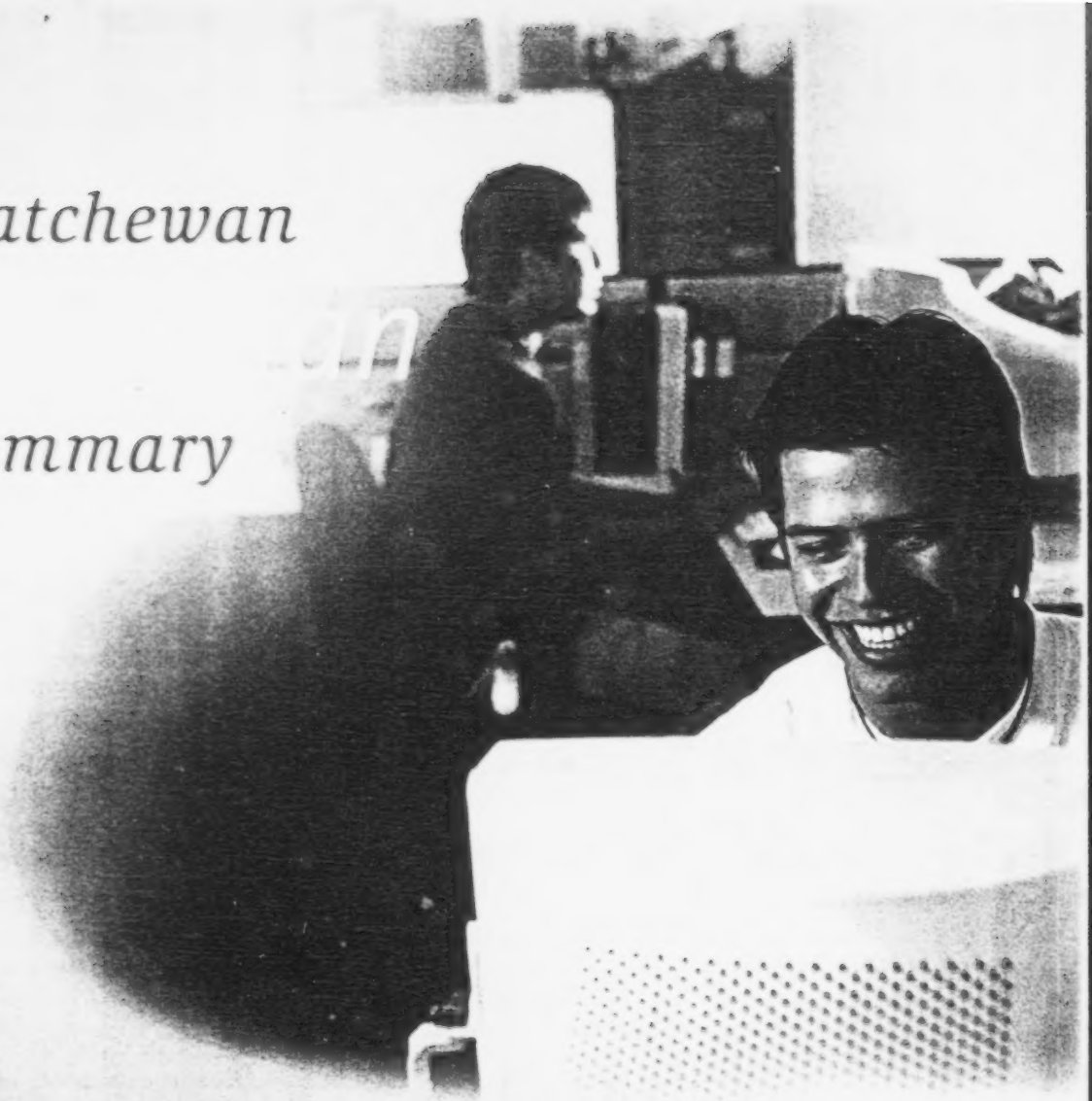
Saskatchewan

Summary



A New Century of Opportunity

September 2005

Government of Saskatchewan

Saskatchewan Centennial 2005

Saskatchewan Centennial Summit

The Saskatchewan Centennial Summit of January 2005 provided a major forum for business, labour, community, First Nations and Métis, and youth leaders to celebrate Saskatchewan's economic successes and explore our future challenges and opportunities.

Summit participants agreed that our centennial year is an ideal time to bring forward an economic action plan to capture the opportunities of our second century — and affirmed that the plan should include the following elements.

- Our natural strengths position us for the future.
- We need to be competitive and promote ourselves at home and abroad.
- We have a proud legacy of creating innovative products and approaches.
- We need to engage more people in Saskatchewan's future.
- We have to preserve our reputation for healthy and sustainable living.

Saskatchewan Action Plan for the Economy

Posting an economic growth rate well above the national average for the second year in a row, Saskatchewan's economy is booming.

Our oil, natural gas, uranium and potash industries continue to break records for exploration, production levels and sales. The province also set employment records for the past two years.

With its diversified and growing economy, Saskatchewan is now considered a 'have' province, signalling our economic strength in relation to other Canadian provinces.

A Centennial Vision for Growth

The *Saskatchewan Action Plan for the Economy* presents a broad vision that builds on our strengths and economic momentum to launch the province into a second century of opportunity and prosperity.

The plan sets out actions for sustained growth on four strategic fronts:

1. Expand and Build on our Natural Strengths
2. Extend our Success in Research and Innovation
3. Enhance and Promote our Competitive Advantages
4. Broaden our Economy, Workforce and Jobs

A New Century of Opportunity

We can act now to seize new opportunities and ensure a high quality of life.

This year, Saskatchewan commemorates 100 years as a province of Canada. Together, we are celebrating our safe, secure communities. We are confirming our traditional values that support the individual, the family and the community.

The Centennial Summit revealed a heartfelt pride in Saskatchewan's past and a genuine optimism for its future. At the same time, there was a clear message that now is the time for decisive action and clear direction to meet the challenges and seize the opportunities before us.

The *Saskatchewan Action Plan for the Economy* responds to that call with a vision and an action framework for growth, jobs and prosperity in our second century.

The *Saskatchewan Action Plan for the Economy* will help propel Saskatchewan into a new century of growth and opportunity – contributing to a superior quality of life for the people and families who are proud to call this province "home."

Lorne Calvert
Premier of Saskatchewan

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Premier of Saskatchewan

1. Expand and Build on our Natural Strengths

Our vision is to expand and develop our natural strengths in our traditional economic sectors — oil and natural gas, mining, forestry and agriculture — to grow the economy, create higher-value jobs and further improve the province's quality of life with enhanced social, health and education services.

Energy

Our vision is to expand the province's energy base and develop one of the most diversified energy economies on the continent.

Oil and Natural Gas

- Continuously monitor the province's royalty and tax regime to ensure it remains competitive to stimulate further oil and gas development.
- Develop new enhanced oil recovery techniques through the Petroleum Technology Research Centre and the oil industry.
- Work with the industry to establish a regulatory basis that encourages exploration for natural gas from coal in a sound environmental framework.
- Develop the capacity to produce several energy products such as electricity or steam at the same time (polygeneration) to build on the province's natural resources and produce value-added energy products.
- Explore the potential for additional heavy oil upgrading capacity to add value to the province's heavy oil resources.
- Set out an energy policy that incorporates traditional and alternative energy sources, reflects environmental considerations and examines the potential of new technologies such as hydrogen and crop-related fuels.

Hydrogen Fuel

- Work with our partners in research and industry to create a provincial hydrogen strategy.
- Work through the Saskatchewan Research Council and the University of Regina to support further development of hydrogen fuel technology.

Wind Power

- Expand wind power beyond 175 MW of wind capacity as opportunities permit.

Ethanol and Other Biofuels

- Work with industry partners to encourage the production of ethanol from grain, straw and wood waste, and production of other biofuels and biodiesel from oilseed crops and animal fats.

Mining and Minerals

Our vision is to increase uranium, potash and other mineral production to meet rapidly growing global demand, and to discover and develop minerals such as diamonds and gold.

- Support targeted mining or mineral production incentives to stimulate further development in the industry.
- Further improve the regulatory environment for mining by working with the industry to streamline regulatory processes.
- Increase the amount of geoscience information available for companies to use to explore new areas in the province.
- Develop policies and processes to facilitate the development of a diamond mine should exploration activity proceed to that stage.

Potash

- Continue to work with potash producers to promote further investment in Saskatchewan, expansion of existing mines and the development of new potash mines in the province.
- Examine opportunities to establish a Saskatchewan-based market development program that will promote growth in the industry.

Uranium

- Stimulate further uranium exploration and development by working with the industry and pressing the federal government to address regulatory burdens and duplication.
- Evaluate opportunities for processing and refining uranium in Saskatchewan.

Forestry and Forest Products

Our vision is to make full sustainable use of our forest resources and become the most competitive jurisdiction in the country to attract investment and develop value-added opportunities in wood product manufacturing.

- Promote Saskatchewan to the global forest products industry as a jurisdiction offering opportunities and a favourable business climate to attract new investment to fully utilize the sustainable harvest of timber.
- Encourage diversification of the primary forest industry and the development of a value-added wood industry by providing access to high-value wood, technology, markets and knowledge.
- Reduce the environmental impact of forestry by attracting new businesses to process wood residuals such as sawdust and shavings in an industrial process or in energy creation projects.
- Build on the Saskatchewan Forest Centre's technology transfer and value-added services with support for its new agroforestry and market development initiatives.

Agriculture and Value-Added Production

Our vision is to create a more diversified agricultural industry with significantly increased livestock production, and with expanded opportunities for both primary agriculture and value-added processing.

- Implement the Meat Processing Strategy to attract new and expanded meat processing and manufacturing facilities to the province and add value to a growing livestock industry.
- Support the development of new bio-products and value-added opportunities for the flax, pulse, organic and biodiesel industries.
- Foster agriculture diversification and expansion with continued support for research and development and value-added products through organizations such as the Crop Development Centre and the Food Industry Development Centre.
- Work with the federal government to restore free market access to the United States for our producers and exporters of cattle, beef and wheat.
- Secure a more level international playing field for the province's agricultural producers and exporters through the World Trade Organization negotiations.
- Work with the federal, provincial and territorial governments to attain favourable revisions to the 60:40 cost-sharing formula for agricultural programming.

2. Extend our Success in Research and Innovation

Our vision is to link technology and innovation with the province's resource and manufacturing sectors to create high-value products and high-paying jobs for Saskatchewan people.

Focus on Commercialization of Technology

The opportunities are available now to bring new technologies from our laboratories and laptops to the world's businesses and homes.

- Establish new innovation 'incubation' centres at provincial universities and research parks to act as a catalyst to transfer technology innovations to the marketplace.
- Facilitate the commercialization of new technologies by providing researchers and entrepreneurs with business development assistance and a new venture capital fund.

Strengthen our Advanced Technology Sector

We will invest in research and development today to turn future innovation into opportunity and jobs across all the province's economic sectors and regions.

- Support research projects undertaken at the province's universities and research institutions through the Innovation and Science Fund.
- Work with industry partners and the federal government to:
  - enhance the life sciences economic cluster in Saskatoon; and
  - promote the cluster's unique capabilities through the development of trade missions to select international regions and attendance at key industrial venues.

The Canadian Light Source Synchrotron

- Implement a business-friendly industrial science program at the CLS synchrotron to achieve a significant level of usage.
- Attract industrial investment related to the synchrotron and the province's other research facilities.
- Expand the CLS facility to provide a wider range of applications related to the province's key economic sectors.

Build a Green and Sustainable Economy

Our vision is to build on our sustainable management expertise with new environmental technologies to create a green and prosperous economy in our second century.

- Implement a Green Strategy that links environmental sustainability and economic growth through new actions and approaches that include green industries such as green tourism; promotion of alternative energy solutions such as energy conservation, solar and wind energy; environmental regulatory reform; new approaches to resource allocation; and increased recycling and innovative waste management.
- Support research in energy development, climate change and conservation through the Energy Sector Initiatives Fund.
- Expand energy conservation activities in the province to cut energy bills and reduce greenhouse gas emissions through the Office of Energy Conservation located at the Regina Research Park.
- Promote emerging technologies for sustainable community development through the Communities of Tomorrow research partnership between the University of Regina, the National Research Council and the City of Regina.
- Develop incentives to encourage business development and growth in green technologies.

3. Enhance and Promote our Competitive Advantages

Our vision is to further enhance the province's competitive advantages and promote them to a world seeking safe and stable investment sites to launch or expand their business operations.

Sharpen our Competitive Edge

Saskatchewan's lower costs of operating and doing business make it one of the most attractive places in the world in which to invest, work and live. In today's highly competitive world, we have to continually improve our business tax and regulation environment.

- Receive findings of the Saskatchewan Business Tax Review Committee and continue to improve business tax competitiveness.
- Create new partnerships with business and industry to streamline and simplify business regulations and support economic growth while protecting the environment.
- Further enhance access to government services for new and expanding businesses through a one-stop website.
- Benchmark Saskatchewan's competitiveness in relation to other jurisdictions to identify areas where we can make improvements.

Produce a Highly Skilled and Educated Workforce

Our vision is to enhance access to education and expand training capacity to produce and retain a highly skilled and diverse workforce, giving the province a significant edge in attracting new investment and growth.

- Expand the Saskatchewan Student Bursary to help reduce the cost of post-secondary education for nearly 10,000 students.
- Further expand training opportunities within the province, building on the recent increase of 1,000 new spaces in adult basic education, apprenticeship and work-based training – including retraining opportunities to help employees deal with workplace and technological changes.
- Continue the Post-Secondary Graduate Tax Credit (with phased-in increases up to $1,000 by 2007) for all post-secondary graduates working in Saskatchewan following graduation.
- Increase provincewide access to technology-enhanced learning and e-learning.

Immigration

- Partner with the federal government and community and stakeholder organizations to increase the capacity of communities to settle and retain immigrants.
- Work with industry and employers to enhance access to foreign skilled workers to meet labour market needs.
- Expand the Saskatchewan Immigrant Nominee Program and make it more flexible for immigrants who want to own and operate a business in the province.
- Provide additional language training opportunities for immigrants to improve their employment readiness.

Expand and Strengthen our Infrastructure

Investors seeking to launch or expand business operations look for a modern and reliable infrastructure with safe and accessible transportation routes, a broad range of communication options, and stable, low-cost power and utilities.

- Strengthen the transportation infrastructure through highway twinning initiatives, forestry road upgrades, rural and northern highway reconstruction and targeted investments, such as bridge upgrades and safety improvements.
- Invest in projects under the new Canada-Saskatchewan Municipal Rural Infrastructure Fund with an emphasis on green municipal infrastructure and transportation infrastructure projects that will support economic activity in the province.
- Build healthier, safer and more supportive learning environments with investments in our educational infrastructure, including:
  - continued support for capital projects at our universities; and
  - continued support for major capital projects in the K-12 system, SIAST and regional colleges as well as education maintenance and renovation projects throughout the province.
- Complete expansion to 35 northern First Nation communities and 71 other communities so that all homes, businesses and schools in Saskatchewan communities with more than 200 people will have access to high-speed Internet.
- Implement the federal New Deal for Cities and Communities, focusing on the infrastructure gap in municipalities and supporting economic, social and environmental development.

Promote Saskatchewan's Benefits and Products

We are working hard to build on our international recognition and get the message out: Saskatchewan can boast of world-class products, advantages and lifestyles – and it is a very good place to invest, work and live!

- Partner with business to send Team Saskatchewan missions to markets around the world to build business relationships and generate leads in key sectors.
- Continue support for the Saskatchewan Trade and Export Partnership to assist exporters in reaching new markets, including short-term financing.
- Work with Canada's embassies and consulates around the world to promote Saskatchewan's competitive advantages and investment opportunities.

4. Broaden our Economy, Workforce and Jobs

Our vision is to broaden and diversify our economy, harness the unique economic potential of our regions and invest in our greatest asset — our people — to equip and engage them in a rapidly changing and expanding economy.

Support Manufacturing and Business Growth

We will build on our momentum to boost manufacturing and enhance access to capital for more people and entrepreneurs across the province wanting to launch or expand a business.

- Partner with the private sector to establish an entrepreneurial venture capital fund to provide capital for business start-up and expansion requiring less than $1 million.
- Through Investment Saskatchewan, invest in provincial companies that show growth potential.
- Provide support for young entrepreneurs and small businesses through an expanded Small Business Loans Association program.
- Attract investment and promote consortiums that encourage partnerships, technology transfer and skill development to retain and expand businesses and make them more competitive internationally.
- Promote our manufacturing sector as the advanced, vibrant sector it is, and exhibit the province's capabilities at targeted trade shows and investment attraction events.

Tourism

- Increase funding to Tourism Saskatchewan to strengthen marketing and development initiatives to generate more visitor spending in the province.
- Establish tourist 'destination points' featuring several attractions centred around unique themes to draw more visitors to the province.

Film and Cultural Industries

- Identify and enhance the benefits of the film industry to the province through the Saskatchewan Film Employment Tax Credit.
- Provide film-related training opportunities to build capacity within the province to support the film industry.

Engage More People in the Workforce

Youth leaders at the Summit said young people want to build meaningful careers for themselves and their families here in Saskatchewan. Summit participants also said we need to engage an increasing First Nations and Métis population in the workforce.

Youth

- Continue the Youth Opportunities Unleashed program to help young entrepreneurs realize their business ambitions with financing, training and mentorship.
- Improve student transitions from Grade 12 to post-secondary education or work-based learning opportunities and apprenticeship through career information and awareness initiatives.
- Partner with schools in rural, urban and northern Saskatchewan to launch five high school-to-apprenticeship pilot projects.
- Increase awareness among young people of the many business and career opportunities in Saskatchewan through programs such as:
  - the *Your Future is Here* campaign; and
  - SaskYouth.net, an online resource of opportunities for youth.

First Nations and Métis People

- Work in partnership with First Nations- and Métis-led agencies and educational institutions to equip and engage First Nations and Métis people in broadening the economy.
- Provide funding for equity, community development initiatives, and skills development to new and existing Métis businesses through the Clarence Campeau Development Fund.
- Expand partnerships through the First Nations and Métis Employment Development Program to promote stay-in-school messages, encourage career planning, link training directly to jobs and break down barriers to the employment of First Nations and Métis people.
- Continue support for the Multi-Party Training Plans in the forestry and mining sectors to train First Nations and Métis people and northern residents to work in those industries.

Harness the Economic Potential of our Regions

Our vision is of a thriving, diverse rural economy that capitalizes on the unique strengths and economic opportunities in the province's regions.

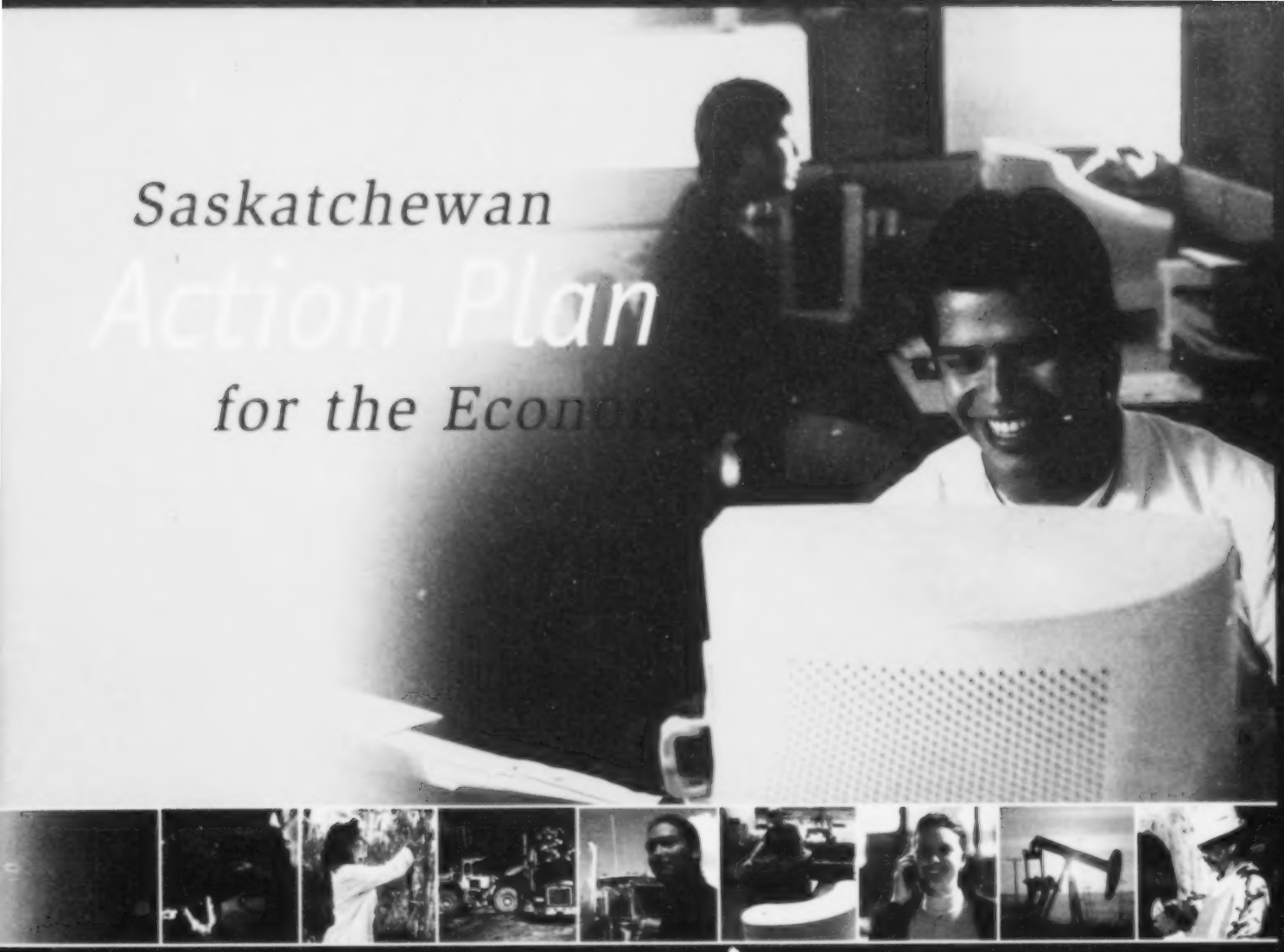
A new department, Saskatchewan Rural Development, brings together programs and services to further promote economic development and diversification in rural areas.

- Work with municipal and other partners to leverage local networks, retain and expand businesses and attract new investment.
- Work with our partners in education and industry to increase the capacity of regional colleges to respond to industry needs for skilled labour with operational and training funding.

An expanding northern economy signals a unique opportunity for development with the full participation of northern residents – especially in the primary economic engines of the north: mining, forestry and tourism.

- Continue support for northern regional economic development and encourage increased ownership and participation by northern residents and companies in small businesses and larger corporate enterprises.
- Support Northlands College in its delivery of post-secondary education and training in the north.

Saskatchewan Action Plan for the Econ



A New Century of Opportunity

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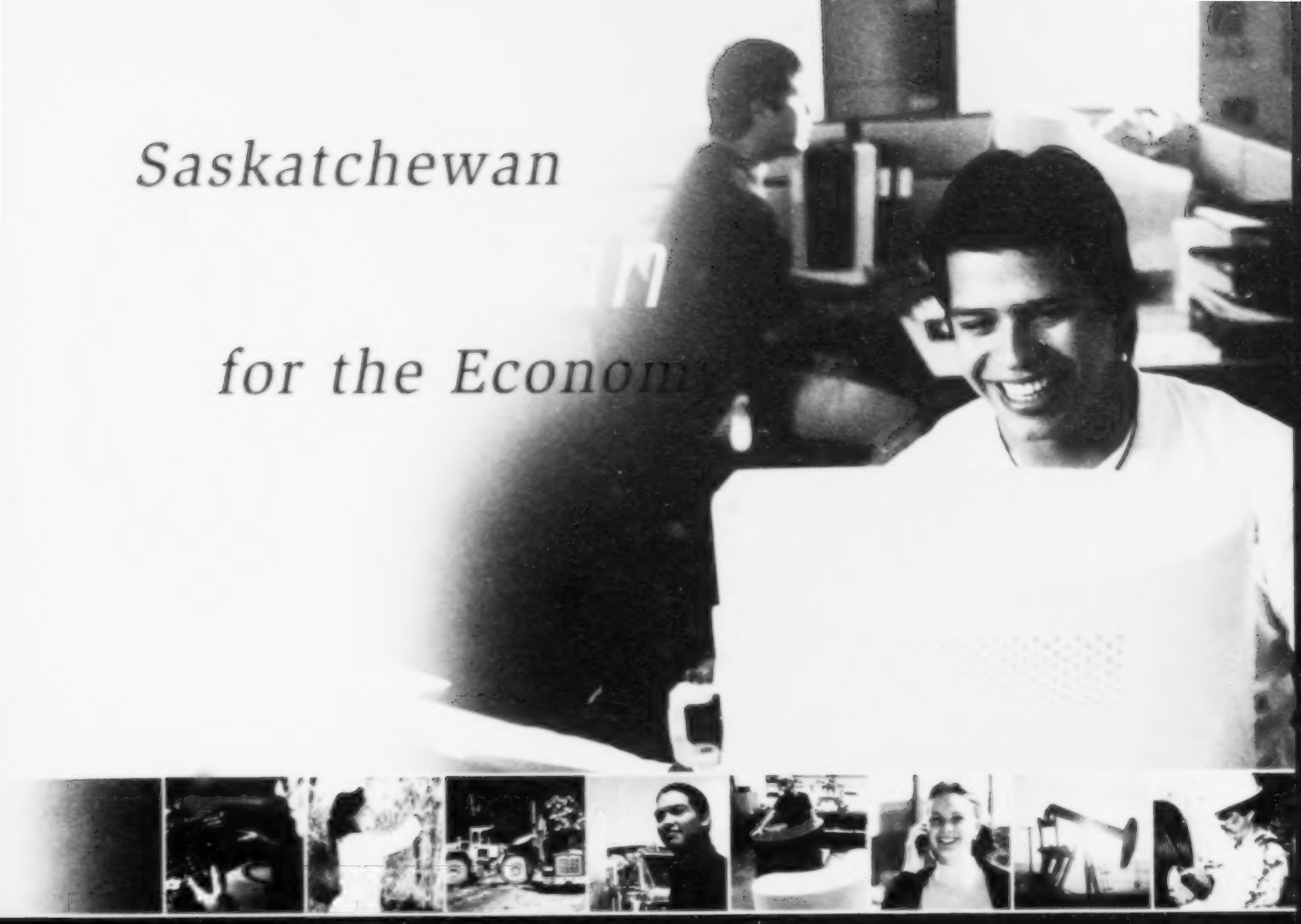

A New Century of Opportunity

Government of Saskatchewan

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Message from the Premier

In early 2005, I convened Saskatchewan's Centennial Summit – with a focus on our economy and the future of our youth. I was seeking a platform for open and honest discussion of the opportunities and challenges before us.

The Summit exceeded our expectations as people from across the province discussed issues ranging from attitude and education to youth entrepreneurship. As the Summit ended, participants confirmed that the province should take a balanced and strategic approach to economic development in our second century.

Since then, we have consulted with a broad range of stakeholders and organizations. We have also kept in touch with Summit participants and asked them to review our proposed action framework and plans for growth.

I want to thank the many people who took the time to share their views and their vision for this province's second hundred years. During this centennial year, our province fittingly celebrates '100 Years of Heart,' affirming the distinctive Saskatchewan values of compassion and caring.

We recognize that economic growth in Saskatchewan supports these important values. A stronger economy contributes to improved social, education and health services; safe and healthy communities; and rewarding trade and career opportunities – especially for our young people.

The Saskatchewan Action Plan for the Economy was shaped with that end in mind. I believe it will help propel Saskatchewan into a new century of growth and opportunity – contributing to a superior quality of life for the people and families who are proud to call this province "home."

Lorne Calvert
Premier of Saskatchewan

Message from the Minister

2005 is a pivotal year for our province as we celebrate Saskatchewan's 100th birthday and plan for our second century.

The Saskatchewan Centennial Summit gave business, labour and community leaders the opportunity to share past successes and consider challenges and opportunities as we begin our second hundred years as a province.

Throughout the numerous presentations and discussions, a consistent message was clear – our economy is strong and now is the time to:

- further develop our natural resources and add value to them;
- become even more competitive at home and abroad;
- build on our success in research and innovation; and
- engage more people in the province's future.

Together, we worked hard to get this province back on its feet financially, to strengthen its infrastructure and prepare it for a new world of commerce, technology and a global economy beyond the dreams of our pioneering forefathers.

Like the First Nations and Métis people who first lived off the bounty of the land and the pioneers who carved a living out of the land, we too must be bold, resolute and courageous as we embark on a new century of opportunities. And we must be willing to work together to seize opportunities for growth.

The future we dream of is within our grasp. I firmly believe that 2005 will mark the transition from 'next year country' to 'this year country' for the people of Saskatchewan.

Our vision is one of opportunity and growth throughout our second century – sustaining a high quality of life that extends to every corner of the province.

The Saskatchewan Action Plan for the Economy supports this vision and sets out a strategic framework for action to address the challenges and take hold of the opportunities before us. It builds on the province's previous economic strategies to deliver a new century of opportunity for all Saskatchewan people.

This plan is the first, vital step – we will continually renew and update the action plan and formally report on our progress annually to the Legislative Assembly.

Eric Cline, Q.C.
Minister of Industry and Resources

"The future we dream of is within our grasp."

Saskatchewan Centennial Summit

"My vision for this Summit is not that we are here to study history. We are here to make history."
– Premier Lorne Calvert

The Saskatchewan Centennial Summit of January 2005 provided a major forum for business, labour, community, First Nations and Métis, and youth leaders to celebrate Saskatchewan's economic successes and explore our future challenges and opportunities.

The Centennial Summit brought together some 400 people from Saskatchewan and across Canada. They heard presentations on – and discussed – issues ranging from the province's key economic sectors and training challenges to environmental stewardship.

Participants agreed that 2005, our centennial year, is an ideal time to bring forward an action plan for the economy to meet the challenges and capture the opportunities of our second century. They affirmed that the plan should include the following elements.

Our natural strengths position us for the future.
We should expand and develop the natural resources and key sectors that brought us to where we are today. Now is the time to add even more value to the products we send around the world.

We need to be competitive and promote ourselves at home and abroad.
Many people around the world have little or no idea what Saskatchewan has to offer. Summit participants said it is time to become more competitive and communicate our strengths, products and competitive advantages worldwide.

We have a proud legacy of creating innovative products and approaches.
The province's educational and research institutions are world class, and now is the time to capitalize on these investments. As we commercialize our new technologies, we must continue to strengthen our research base, promoting more innovation and growth.

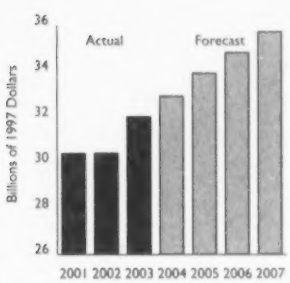
We need to engage more people in Saskatchewan's future.
We must find ways to equip our youth and link them up with trades and careers. We need to engage our growing First Nations and Métis population in the workforce. And we need to attract more skilled immigrants to our province, especially as the baby boom generation moves into retirement.

We have to preserve our reputation for healthy and sustainable living.
Saskatchewan is a land of wide-open spaces, lakes and forests. We must protect this valuable environment and promote a green, sustainable economy – the foundation for a continued high quality of life for Saskatchewan people.

Saskatchewan Action Plan for the Economy

The Conference Board of Canada predicts Saskatchewan's economy will "continue to expand at a remarkable rate."

Real GDP Forecast



Introduction

After more than a decade of preparing for the challenges and unique opportunities of the province's second century, a solid foundation for growth is in place – and our economy is booming.

The province posted an economic growth rate of 4.5 per cent in 2003 – the second highest among the provinces – and 3.5 per cent in 2004, well above the national average for the second year in a row.

Total provincial exports in 2004 were up more than 18 per cent over the previous year.

Our oil, natural gas, uranium and potash industries continue to break records for exploration, production levels and sales.

Average weekly wages are climbing and so are employment levels – with the province setting a new annual employment record in 2004. Saskatchewan's record-breaking job performance continues in 2005, with August representing the 17th straight month of record job growth in the province.

With its diversified and growing economy, Saskatchewan is now considered a 'have' province, signalling our economic strength in relation to other Canadian provinces.

Earning 13 credit rating upgrades since 1995, Saskatchewan scored a "Double A" rating in early 2005 from the two major credit rating agencies in the United States. More recently, Moody's Investors Service boosted Saskatchewan's long-term debt ranking, citing the province's strong fiscal policy framework in place for over a decade and improved debt-to-GDP ratio.

The government is committed to the prudent financial management that won these credit ratings, including continued fiscal stability and targeted tax and regulatory measures to create a positive business environment and sustained growth.

Sustained growth also requires that we protect and preserve the province's environment by building a green and prosperous economy.

The land and its vast resources brought jobs and prosperity to the people of this province throughout its first century. In our second century, future generations will judge us by how we developed and preserved our valuable environmental heritage.

A Centennial Vision for Growth

The Centennial Summit called for a bold and broad vision for the future – a vision that would build on our strengths and economic momentum to launch the province into a second century of opportunity and growth.

This action plan is based on such a vision.

It is a vision of aggressively developing the historical strengths of our economy – oil and natural gas, mining, forestry and agriculture – as an economic springboard for a new century of growth and jobs.

As well, it is a vision that links our natural resource strengths with our research and innovation expertise to enhance productivity and create higher-value jobs, goods and services.

It is a vision of improving the province's competitiveness and promoting Saskatchewan's benefits and products around the globe.

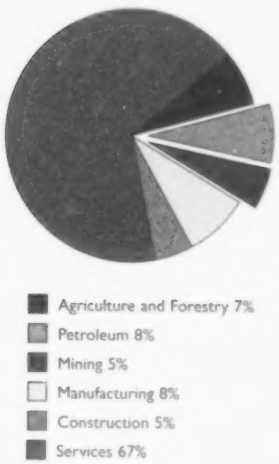
It is a vision of investing in people – especially the province's youth and First Nations and Métis community – to equip and engage more Saskatchewan people in the emerging knowledge-based economy.

And it is a vision of building a green and sustainable economy that preserves the province's forests, water and clean air for future generations.

It is a uniquely Saskatchewan vision – and it is the basis for the Saskatchewan Action Plan for the Economy.

The action plan is an integrated, long-term approach that builds on a decade of economic strategies and partnerships to strengthen and stimulate the provincial economy.

Real Gross Domestic Product by Industry, 2004



Our vision is to aggressively develop the historical strengths of our economy to launch a second century of growth and jobs.

The plan sets out actions for sustained growth on four strategic fronts:

1. **Expand and Build on our Natural Strengths**
2. **Extend our Success in Research and Innovation**
3. **Enhance and Promote our Competitive Advantages**
4. **Broaden our Economy, Workforce and Jobs**

We have the foundation and the momentum for growth. Now is the time for decisive action to secure the province's future.

Expand and Build on our Natural Strengths

Tap into our abundant resources to capture new opportunities for growth and jobs

Saskatchewan's abundant resources position the province for a prosperous future. To anchor that future, we need to develop our natural strengths in our traditional economic sectors: oil and natural gas, mining, forestry and agriculture.

With prices for oil, natural gas and minerals strengthening, now is the time to expand and develop these industries to grow the economy, create higher-value jobs and further improve the province's quality of life with enhanced social, health and education services.

Now is also the time to apply research and innovation to create value-added products, diversify the economy, boost productivity and ensure our resources are developed in an environmentally sensitive manner.

We will develop an energy policy that includes traditional and new energy sources and reflects environmental concerns.

Energy

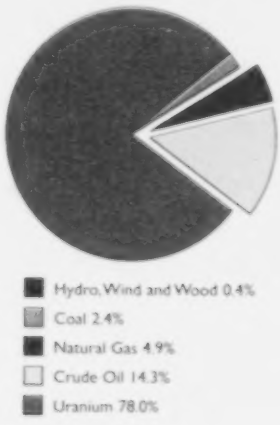
Drawing from a wide range of energy sources, Saskatchewan currently accounts for nearly one-third of the energy produced in Canada. Our vision is to expand the province's energy base and develop one of the most diversified energy economies on the continent.

Our second century will bring opportunities to explore and develop exciting, new, 21st-century energy sources – hydrogen, ethanol, biodiesel and other biofuels – to further diversify and supplement our energy base while protecting the environment.

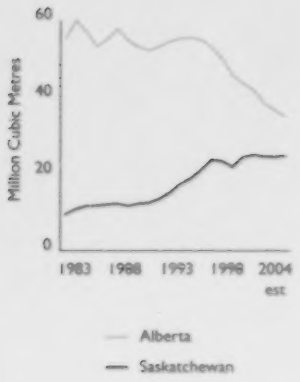
Oil and Natural Gas

Saskatchewan is the second-highest oil-producing province in Canada and the country's third-highest producer of natural gas. This industry represents one of the largest contributors to the provincial Gross Domestic Product, generating close to $1 billion a year in revenues for the provincial government.

Primary Energy Production in Saskatchewan in 2003



Alberta vs Saskatchewan Conventional Crude Oil Production



Saskatchewan leads the way in establishing fiscal and regulatory initiatives to encourage enhanced oil recovery.

Alberta vs Saskatchewan Remaining Crude Oil Reserves (Conventional)

Although some 35 billion barrels of oil have been discovered in the province, less than 15 per cent of this resource can be recovered with current technology. In addition, over half of the current production is classified as heavy oil, incurring higher production costs, and that proportion is expected to increase in the future.

Thus, the long-term success of the province's oil and natural gas industry is tied directly to advanced technology, and we will continue to reinvest resource revenues into new technology and infrastructure to strengthen and expand the industry.

Our vision is to increase development of our oil resources through enhanced oil recovery (EOR) techniques.

In 2001, the province lowered royalties and eliminated the Provincial Sales Tax on carbon dioxide purchased for enhanced oil recovery projects. In March 2005, the province introduced further initiatives to encourage EOR development.

The Petroleum Technology Research Centre (PTRC) in the Regina Research Park adjacent to the University of Regina campus plays a significant role in pioneering and developing enhanced oil recovery techniques.

In co-operation with EnCana Energy, the PTRC led a research project at an oilfield near Weyburn where carbon dioxide was injected into the oil pool to increase oil recovery. The project studied the effectiveness of the process to permanently store carbon dioxide, one of the most abundant greenhouse gases.

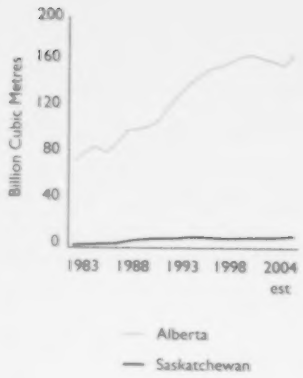
A similar EOR project to be undertaken by Apache Canada at its Midale oilfield will produce an additional 45 million barrels of oil, lengthen the oilfield's active life by some 40 years, and store nearly nine million tonnes of carbon dioxide over the life of the project.

In addition, there is increased interest in Canada in extracting natural gas from coal beds. As the opportunities for such projects in Alberta become more scarce and expensive, companies will look to other areas to extract natural gas from coal. Similar formations exist in Saskatchewan, providing an opportunity to attract investment and exploration activity for this form of our natural gas resource.

ACTIONS

- Continuously monitor the province's royalty and tax regime to ensure it remains competitive to stimulate further oil and gas development.
- Develop new enhanced oil recovery techniques through the Petroleum Technology Research Centre and the oil industry.
- Work with the industry to establish a regulatory basis that encourages exploration for natural gas from coal in a sound environmental framework.
- Develop the capacity to produce several energy products such as electricity or steam at the same time (polygeneration) to build on the province's natural resources and produce value-added energy products.
- Explore the potential for additional heavy oil upgrading capacity to add value to the province's heavy oil resources.
- Set out an energy policy that incorporates traditional and alternative energy sources, reflects environmental considerations and examines the potential of new technologies such as hydrogen and crop-related fuels.

Alberta vs Saskatchewan Incremental Natural Gas Production



Hydrogen Fuel

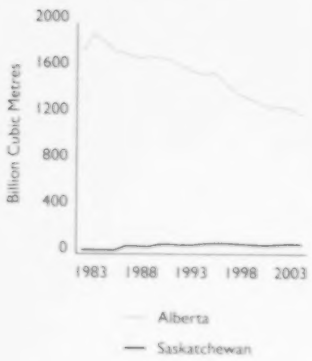
Using hydrogen as an alternative fuel can significantly reduce greenhouse gas emissions.

In spring 2004, the Saskatchewan Research Council demonstrated the world's first truck fuelled by a combination of hydrogen and diesel fuel.

Just eight months later, in January 2005, Saskatchewan unveiled the world's first hybrid hydrogen-gasoline vehicle. The modified pick-up truck runs on a mixture of these two fuels, and can operate on 100 per cent hydrogen in most urban driving conditions.

We will continue to work with our partners in the industry to build on the hydrogen-based technologies currently being developed in Saskatchewan. Our vision is that the province can participate in the hydrogen economy and compete successfully at national and international levels.

Alberta vs Saskatchewan Remaining Natural Gas Reserves



ACTIONS

- Work with our partners in research and industry to create a provincial hydrogen strategy.
- Work through the Saskatchewan Research Council and the University of Regina to support further development of hydrogen fuel technology.

Wind Power

Wind power is an important renewable resource that provides a clean and inexhaustible source of energy. Saskatchewan has the third-largest installed wind capacity in Canada.

A total of 33 wind turbines erected near Gull Lake can generate enough power to meet the demands of 9,000 households.

A new wind power project southeast of Swift Current is creating jobs and growth, with Hitachi Canadian Industries in Saskatoon constructing 83 steel towers for the project. When completed, the wind turbines will generate enough electricity to meet the needs of 64,000 Saskatchewan households.

Our vision is to link green technologies such as wind and solar power with economic growth, bringing more jobs and opportunities to Saskatchewan people while protecting the environment.

Saskatchewan is the first jurisdiction in Canada to introduce an ethanol mandate requiring the future blending of ethanol in gasoline.

ACTION

- Expand wind power beyond 175 MW of wind capacity as opportunities permit.

Ethanol and Other Biofuels

With a population spread out over thousands of square kilometres and an increasing dependence on vehicles for grain and commodity shipments, the province's transportation industry accounts for 17 per cent of all the greenhouse gases produced in Saskatchewan.

Producing ethanol as an alternative fuel is an important step in reducing these emissions and building a green economy. As a low-cost producer of the feedstock for ethanol, Saskatchewan can become a major supplier of this 21st-century fuel within the province and to the rest of the country.

Husky Energy is currently building a wheat-based ethanol plant with 130 million litres of capacity at Lloydminster. NorAmera BioEnergy Corporation is retrofitting a former distillery in Weyburn to produce ethanol, and other communities are considering opportunities to build ethanol facilities.

The province is supporting research for a made-in-Saskatchewan technology to turn 'waste' products such as wheat straw, flax straw and even wood waste into clean-burning ethanol. Research also continues in the production and use of biodiesel. This environmentally friendly fuel can be made from vegetable oils (from crops like canola, flax and mustard) or even from animal fats. University of Saskatchewan researchers have shown that biodiesel, when used as an additive, can extend engine life and improve fuel economy.

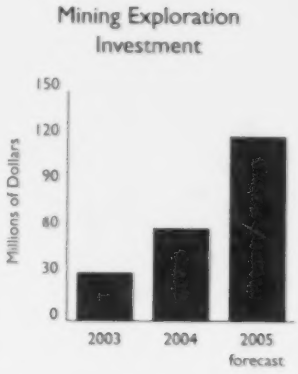
ACTION

- Work with industry partners to encourage the production of ethanol from grain, straw and wood waste, and production of other biofuels and biodiesel from oilseed crops and animal fats.

Mining and Minerals

Saskatchewan is the third-largest non-fuel mining province in the country. The province set a mineral sales record of over $3 billion in 2004 – up from $2.4 billion in 2003.

Because minerals are a non-renewable resource, ongoing exploration is critical to maintaining and expanding the mining industry. Targeted royalty and taxation incentives were introduced in recent years to attract new investment in exploration and expand the mining industry.



Based on a survey of international mining and exploration companies, the Fraser Institute ranked Saskatchewan fifth out of 64 jurisdictions around the world for the attractiveness of its policy environment for the mining industry.

Mineral exploration is increasing rapidly across the province, especially for uranium, gold and diamonds. The largest diamond-bearing kimberlite field in the world is situated east of Prince Albert in the Fort à la Corne area. As diamond exploration continues to produce results, the industry is getting closer to a production decision on a potential diamond mine.

Saskatchewan has a range of underdeveloped mineral resources including gold, base metals and rare earth minerals. A number of companies are exploring for gold in the La Ronge belt and are considering new development at past operating sites. Exploration for rare earth minerals suggests a large resource may be present that has many applications in the electronics industry, including MRIs, television screens, rechargeable batteries, and fuel cells for hybrid cars.

Canada leads the world in only two areas of mineral production – potash and uranium – and both are centred in Saskatchewan.

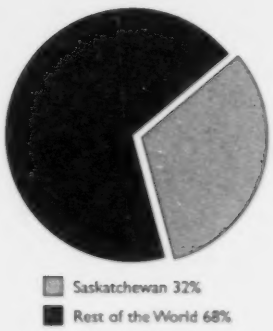
The mining industry is a major user of advanced technology such as applying virtual reality technology and three-dimensional seismic information to explore for new deposits, and using remote mining techniques in hazardous areas.

Our vision is to expand and increase uranium, potash and other mineral production in response to rapidly growing global demand, as well as to discover and develop minerals such as diamonds and gold.

ACTIONS

- Support targeted mining or mineral production incentives to stimulate further development in the industry.
- Further improve the regulatory environment for mining by working with the industry to streamline regulatory processes.
- Increase the amount of geoscience information available for companies to use to explore new areas in the province.
- Develop policies and processes to facilitate the development of a diamond mine should exploration activity proceed to that stage.

Share of World's Potash Sales



Potash

Saskatchewan is home to the largest potash industry in the world – supplying nearly one-third of the total global demand.

In 2003, the province eliminated the profit tax on new potash sales and introduced faster capital write-offs for mining companies to attract new investment and help the industry realize its growth potential. This action contributed to expansions in the potash industry that resulted in record sales levels two years in a row.

In the spring of 2005, the province introduced further tax measures to stimulate significant expansion of the industry in the province and reinforce Saskatchewan's position as the dominant world supplier of potash. These changes resulted in the province's major potash producers committing to more than $570 million in capital investment to increase production, creating more than 200 permanent jobs.

Our vision is to continue to pursue opportunities to maintain Saskatchewan's position as the leading global supplier of potash.

ACTIONS

- Continue to work with potash producers to promote further investment in Saskatchewan, expansion of existing mines and the development of new potash mines in the province.
- Examine opportunities to establish a Saskatchewan-based market development program that will promote growth in the industry.

Uranium

Saskatchewan is the only jurisdiction in Canada that produces uranium – supplying 30 per cent of the world's output. The province's known reserves are estimated at 800 million pounds (equivalent to 19 billion barrels of oil), and there is considerable exploration activity for new reserves.

Saskatchewan's Athabasca Basin is currently the world's premier exploration district for high-grade uranium deposits. One of the richest uranium mines in the world is gearing up to go into production at Cigar Lake in 2007.

As the world's largest producer of uranium and with two of the largest uranium companies in the world operating in the province, our vision is to position Saskatchewan as a global model for environmental and occupational safety in uranium mining and the development of industries that add value to uranium ore.

As a major producer of uranium, the province should consider adding value to this resource to create more jobs and opportunities for Saskatchewan people.

Share of World's Uranium Production

ACTIONS

- Stimulate further uranium exploration and development by working with the industry and pressing the federal government to address regulatory burdens and duplication.
- Evaluate opportunities for processing and refining uranium in Saskatchewan.

Forestry and Forest Products

More than half of Saskatchewan is forested with a variety of softwoods and hardwoods, providing industrial opportunities for generations of loggers and mill workers. In fact, the forestry industry stretches back into the province's earliest years with the largest sawmill in the British Commonwealth operating at Big River in 1905.

Today, the forestry and forest products sector represents a vibrant, innovative industry that includes two of the world's largest and most modern oriented strand board plants.

The province's forest sector has shown dramatic growth in recent years, attracting more than $1 billion in private-sector investment since 1999. Our vision is to make full sustainable use of our forest resources, to develop our agroforestry potential, and to become the most competitive jurisdiction in the country to attract investment and develop value-added opportunities in wood product manufacturing.

Some 355,000 square kilometres of Saskatchewan are forested.

ACTIONS

- Promote Saskatchewan to the global forest products industry as a jurisdiction offering opportunities and a favourable business climate to attract new investment to fully utilize the sustainable harvest of timber.
- Encourage diversification of the primary forest industry and the development of a value-added wood industry by providing access to high-value wood, technology, markets and knowledge.
- Reduce the environmental impact of forestry by attracting new businesses to process wood residuals such as sawdust and shavings in an industrial process or in energy creation projects.
- Build on the Saskatchewan Forest Centre's technology transfer and value-added services with support for its new agroforestry and market development initiatives.

Agriculture and Value-Added Production

For much of its first century, agriculture served as the base for economic growth and opportunity in Saskatchewan. Agriculture remains an integral component of the provincial economy and the foundation for much of the economic activity that occurs in rural Saskatchewan.

In recent years, the agricultural industry has faced a number of extraordinary shocks, including drought, trade policy-distorted grain prices and loss of markets due to the closure of the United States border to Canadian cattle. In conjunction with the federal government, the province funds ongoing risk management programs that help mitigate production risk, as well as variations in producer income.

Over the past decade, the provincial government has encouraged the industry's transition from a reliance on traditional cereal grain production. Saskatchewan farm incomes have benefited from production of higher-value oilseeds, specialty crops, increased livestock output and organics. The province is also working to identify the feasibility of irrigation infill and expansion opportunities and water-based economic development.

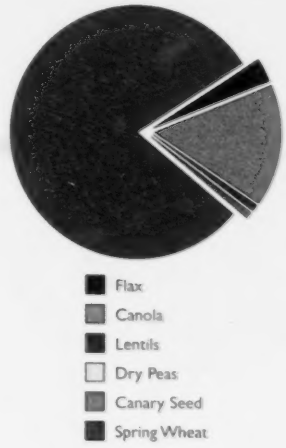
This evolution is crucial to the future growth of the Saskatchewan economy. To help attain it, the province makes multimillion-dollar investments in research, innovation and technology transfer on an annual basis.

ACTIONS

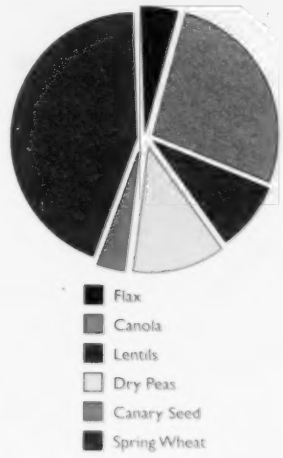
- Implement the Meat Processing Strategy to attract new and expanded meat processing and manufacturing facilities to the province and add value to a growing livestock industry.
- Support the development of new bio-products and value-added opportunities for the flax, pulse, organic and biodiesel industries.
- Foster agriculture diversification and expansion with continued support for research and development and value-added products through organizations such as the Crop Development Centre and the Food Industry Development Centre.
- Work with the federal government to restore free market access to the United States for our producers and exporters of cattle, beef and wheat.

Saskatchewan farmers are continuously diversifying to take advantage of new global markets and opportunities.

Crop Diversification, 1984



Crop Diversification, 2004



- Secure a more level international playing field for the province's agricultural producers and exporters through the World Trade Organization negotiations.
- Work with the federal, provincial and territorial governments to attain favourable revisions to the 60:40 cost-sharing formula for agricultural programming.

From a Simple Question to a World Leader in Three Years

Saskcan Pulse Trading Inc. is an excellent model of a successful value-added business. Prior to the development of this lentil-splitting facility in 2002, most of the province's lentils and peas were shipped out of the province for finishing.

According to Murad Al-Katib, the president and CEO of Saskcan Pulse Trading, everything began for him when he asked the question, "Why don't we do that here in Saskatchewan?"

After a lot of hard work and a determined effort to answer that simple question, the province is now home to the world's largest processor and exporter of red lentils. Last year, Murad's company delivered 20% of Canada's heartiest pulse crop – table ready – to markets in the Middle East and around the globe.

The company, located just outside of Regina, has created 80 new full-time jobs since 2002 and was named Saskatchewan business of the year in 2004 by the Saskatchewan Chamber of Commerce.

In the meantime, the province's farmers continue to diversify their crops, supplying more high-quality lentils to Saskcan Pulse Trading for processing every year – a move that adds some 40 per cent to the market value of the crop. Canada is the largest lentil exporter in the world, and Saskatchewan now produces 95% of Canada's total production!

Extend our Success in Research and Innovation

As a world leader in research and innovation, Saskatchewan can create unlimited opportunities for growth

With its successful track record in applied research and innovation, Saskatchewan is poised to lead the way in the new knowledge-based economy through the transfer and commercialization of technology.

Our vision is to link technology and innovation with the province's resource and manufacturing sectors to create high-value products and high-paying jobs for Saskatchewan people.

Over 30 per cent of Canada's ag-biotech research and development takes place in Saskatchewan.

Focus on Commercialization of Technology

The opportunities are available now to bring new technologies from our laboratories and laptops to the world's businesses and homes.

Over the past decade, the province partnered with industry and others to establish technology transfer centres to assist in research and the commercialization of new technology, including:

- the Petroleum Technology Research Centre;
- the Greenhouse Gas Technology Centre;
- the Saskatchewan Forest Centre;
- the Saskatchewan Food Industry Development Centre;
- the Vaccine and Infectious Disease Organization; and
- Ag-West Bio Inc.

These industry-driven centres supplement the work of the Saskatchewan Research Council and federal agencies. They have created numerous value-added opportunities in key sectors of the province's economy.

This action plan builds on our expertise in agricultural biotechnology, petroleum research, medical and pharmaceutical research, software development and greenhouse gas research. Our vision is to commercialize advanced technologies and bring innovation and new, high-value products and services into the international marketplace.

ACTIONS

- Establish new innovation 'incubation' centres at provincial universities and research parks to act as a catalyst to transfer technology innovations to the marketplace.
- Facilitate the commercialization of new technologies by providing researchers and entrepreneurs with business development assistance and a new venture capital fund.

The Saskatchewan Research Council provides research support to some 1,800 clients each year.

Strengthen our Advanced Technology Sector

The province's advanced technology sector creates high-paying jobs, attracts young people and generates over $2 billion a year in sales of products and services. The sector includes industries ranging from information and communications technologies, to support services and research activities.

Innovation Place in Saskatoon is one of North America's most advanced research parks for agriculture, pharmaceuticals and the environment. The Regina Research Park is one of Canada's newest research parks specializing in petroleum, information technology and environmental sciences.

Advanced technology – acting as an 'enabler' to business and industry – affects all aspects of the province's economy, from resource extraction to manufacturing and everyday business transactions.

A strong foundation in research and development is essential to the commercialization and transfer of technology. Agricultural biotechnology, nutraceuticals, life sciences, bio-products, instrumentation and communications technologies are all on the province's research and innovation agenda.

This action plan invests in research and development today to turn future innovation into opportunity and jobs across all the province's economic sectors and regions.

ACTIONS

- Support research projects undertaken at the province's universities and research institutions through the Innovation and Science Fund.
- Work with industry partners and the federal government to:
  - enhance the life sciences economic cluster in Saskatoon; and
  - promote the cluster's unique capabilities through the development of trade missions to select international regions and attendance at key industrial venues.

The Canadian Light Source Synchrotron

The $174-million Canadian Light Source (CLS) synchrotron in Saskatoon is Canada's only synchrotron. It is drawing scientists from around the world for ground-breaking research in medicine, pharmaceuticals, micro-manufacturing, metal alloys and chemistry.

The synchrotron is also attracting private-sector support because of its potential for industry and manufacturing, and we can act now to capitalize on its ability to trigger growth and jobs.

The CLS synchrotron is launching a new era of science and innovation in the province and the country.

ACTIONS

- Implement a business-friendly industrial science program at the CLS synchrotron to achieve a significant level of industrial usage.
- Attract industrial investment related to the synchrotron and the province's other research facilities.
- Expand the CLS facility to provide a wider range of applications related to the province's key economic sectors.

Build a Green and Sustainable Economy

SaskPower has committed to meeting the province's new electricity needs until 2010 without adding to greenhouse gas emissions.

The challenge in our second century is to build a sustainable economy – one that creates jobs and opportunity – while preserving and protecting our environment.

Saskatchewan people understand and value the land and its bounty. They are leaders in developing healthy environment and sustainable management practices in our key sectors of agriculture, forestry and mining.

Our vision is to build on that expertise with new environmental technologies to create a green and prosperous economy in our second century.

We will apply green technologies to turn waste into commercial products, such as producing energy or doors from wood waste, insulation from flax fibre, and electricity from hog waste. By turning today's cost centres into tomorrow's profit centres, we will create new jobs and preserve our environment for future generations.

Building a sustainable green economy will help protect the province's environment.

ACTIONS

- Implement a Green Strategy that links environmental sustainability and economic growth through new actions and approaches that include green industries such as green tourism; promotion of alternative energy solutions such as energy conservation, solar and wind energy; environmental regulatory reform; new approaches to resource allocation; and increased recycling and innovative waste management.
- Support research in energy development, climate change and conservation through the Energy Sector Initiatives Fund.
- Expand energy conservation activities in the province to cut energy bills and reduce greenhouse gas emissions through the Office of Energy Conservation located at the Regina Research Park.
- Promote emerging technologies for sustainable community development through the Communities of Tomorrow research partnership between the University of Regina, the National Research Council and the City of Regina.
- Develop incentives to encourage business development and growth in green technologies.

Life Sciences in Saskatchewan – Shaping Tomorrow's World

Life sciences represent one of the most dynamic growth industries in the world. Our increasing knowledge of living things will enable us to create unique, new biomaterials, more nutritious food, better health care, more jobs and a stronger economy.

The Vaccine and Infectious Disease Organization (VIDO) at the University of Saskatchewan is a key player in the province's life sciences community. Over the last 30 years, VIDO has distinguished itself with ground-breaking vaccine technology.

Bridging the gap between research and marketable products, VIDO has developed five "world firsts" in animal vaccine research and holds more than 60 patents on its pioneering discoveries.

VIDO occupies a newly expanded research and laboratory facility on campus and a 65-hectare research station southeast of Saskatoon. Its scientists, many recruited from more than 15 countries, have established a network of international expertise that contributes to Canada's prominence in infectious disease research.

A $76-million International Vaccine Centre (InterVac) will be built as a collaborative effort among VIDO, the Western College of Veterinary Medicine, the University of Saskatchewan's College of Medicine, and other academic and government institutions. When the facility is completed in 2009, it will be one of the largest biosafety level 3 vaccine research laboratories in North America. With its unique capability to conduct large animal infectious disease research, the facility is poised to seize global opportunities in vaccine research and will greatly increase Canada's preparedness in the event of a major health pandemic.

In July of 2005, VIDO received almost $7 million in funding from the Bill and Melinda Gates Foundation as part of an international research project called "The Grand Challenges in Global Health." Out of more than 1,500 submissions, the VIDO team was selected to undertake research to improve and develop vaccines for newborns, those that are most vulnerable to infectious diseases.

Enhance and Promote our Competitive Advantages

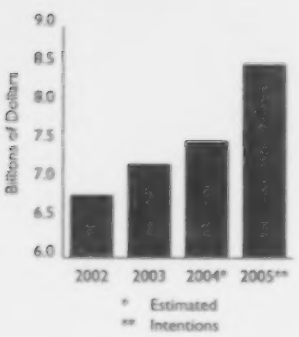
Foster and promote a climate of opportunity to encourage investment and growth

In 2004, over $7.5 billion in new capital investment poured into Saskatchewan projects – with more than three-quarters coming from the private sector to expand, modernize and build new facilities in the province.

With a forecast $8.5 billion in new investment for 2005, Saskatchewan is expected to lead all Canadian provinces in capital investment growth, up 12 per cent over the previous year and twice the national rate of growth.

Our vision is to further enhance the province's competitive advantages and promote them to a world seeking safe and stable investment sites to launch or expand their business operations.

Capital Investment in Saskatchewan



Sharpen our Competitive Edge

Saskatchewan's lower costs of operating and doing business make it one of the most attractive places in the world in which to invest, work and live.

An independent 2004 KPMG survey of business costs ranked Prince Albert first and Saskatoon, Regina and Moose Jaw in the top 10 in overall cost-effectiveness compared to other major North American midwest cities.

The Institute of Chartered Accountants of Saskatchewan reported in 2004 that the province's total provincial corporate taxes, as a percentage of pretax profits, were 11 per cent lower than the Canadian average – and the second lowest of all the provinces west of Quebec.

To make the province more attractive as a place to live and work, in 2000 the government introduced a plan for the largest personal income tax cuts in Saskatchewan's history, and by 2005 the average Saskatchewan family saw these taxes reduced by over 32 per cent.

In addition, the number of provincial regulations has been reduced by more than 25 per cent since 1995.

In today's highly competitive world, we have to continually improve our business tax and regulation environment. The Saskatchewan Business Tax Review Committee is currently reviewing the province's business taxes and will assess their competitiveness in relation to other provinces.

ACTIONS

- Receive findings of the Saskatchewan Business Tax Review Committee and continue to improve business tax competitiveness.
- Create new partnerships with business and industry to streamline and simplify business regulations and support economic growth while protecting the environment.
- Further enhance access to government services for new and expanding businesses through a one-stop website.
- Benchmark Saskatchewan's competitiveness in relation to other jurisdictions to identify areas where we can make improvements.

Summit participants said governments at all levels should work together to reduce overlap and duplication.

Produce a Highly Skilled and Educated Workforce

Globalization, technology and a new knowledge-based economy are fuelling a demand for highly skilled and educated workers.

In our second century, the province's labour force will have to adapt to changing job markets with training – and retraining – geared to shifts in skill requirements.

Our vision is to enhance access to education and expand training capacity to produce and retain a highly skilled and diverse workforce, giving the province a significant edge in attracting new investment and growth.

Over 61 per cent of working-age people in Saskatchewan have some post-secondary education.

ACTIONS

- Expand the Saskatchewan Student Bursary to help reduce the cost of post-secondary education for nearly 10,000 students.
- Further expand training opportunities within the province, building on the increase of 1,000 new spaces in adult basic education, apprenticeship and work-based training – including retraining opportunities to help employees deal with workplace and technological changes.

- Continue the Post-Secondary Graduate Tax Credit (with phased-in increases up to $1,000 by 2007) for all post-secondary graduates working in Saskatchewan following graduation.
- Increase provincewide access to technology-enhanced learning and e-learning.

We need to open up our province once again to skilled and hard-working immigrants from around the world.

Immigration

Saskatchewan's vigorous and expanding economy requires more professional and skilled workers – now and into the future.

The Saskatchewan Immigrant Nominee Program is speeding up the recruitment of skilled workers from other countries. Changes to the program now enable employers to hire qualified immigrants for most technical, trade and professional occupations in the province.

In addition, the government doubled the allowable work term for foreign students to help them transition to permanent jobs and settle in the province.

The province will continue to step up immigration to help meet the province's long-term need for a highly skilled labour pool, especially as the baby boom generation retires and leaves a shortage of professional and skilled workers.

ACTIONS

- Partner with the federal government and community and stakeholder organizations to increase the capacity of communities to settle and retain immigrants.
- Work with industry and employers to enhance access to foreign skilled workers to meet labour market needs.
- Expand the Saskatchewan Immigrant Nominee Program and make it more flexible for immigrants who want to own and operate a business in the province.
- Provide additional language training opportunities for immigrants to improve their employment readiness.

Expand and Strengthen our Infrastructure

Investors seeking to launch or expand business operations look for a modern and reliable infrastructure with safe and accessible transportation routes, a broad range of communication options, and stable, low-cost power and utilities.

In preparation for a new century of opportunity, the government has made numerous targeted investments to strengthen the province's infrastructure and support economic development over the last decade.

VCom Inc. is a world-leading designer and manufacturer of high-quality, state-of-the-art hardware products that enable high-speed, on-demand broadband access to cable and wireless communications systems. Making its products in Saskatoon, VCom is working with SaskTel on what may become the world's largest contiguous wireless broadband network, CommunityNet II.

Quality of life is also an important factor in determining investment locations. Saskatchewan is building the appeal of many communities to businesses and workers with millions of dollars invested in culture and recreation facilities in recent years.

The 2005 Budget builds on this foundation with one of the largest infrastructure investments in the history of the province, directing $327 million to transportation, education and communications infrastructure.

ACTIONS

- Strengthen the transportation infrastructure through highway twinning initiatives, forestry road upgrades, rural and northern highway reconstruction, and targeted investments, such as bridge upgrades and safety improvements.
- Invest in projects under the new Canada-Saskatchewan Municipal Rural Infrastructure Fund with an emphasis on green municipal infrastructure and transportation infrastructure projects that will support economic activity in the province.
- Build healthier, safer and more supportive learning environments with investments in our educational infrastructure, including:
  - continued support for capital projects at our universities; and
  - continued support for major capital projects in the K-12 system, SIAST and regional colleges as well as education maintenance and renovation projects throughout the province.

We are getting the message out: Saskatchewan is a good place to invest, work and live!

- Complete expansion to 35 northern First Nation communities and 71 other communities so that all homes, businesses and schools in Saskatchewan communities with more than 200 people will have access to high-speed Internet.
- Implement the federal New Deal for Cities and Communities, focusing on the infrastructure gap in municipalities and supporting economic, social and environmental development.

Within three years, 86 per cent of the province's population will have access to high-speed Internet.

Promote Saskatchewan's Benefits and Products

Saskatchewan is an exporting province, shipping 65 per cent of its goods and services outside its borders.

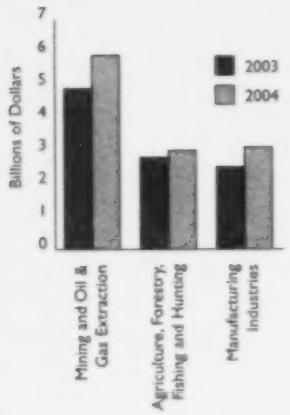
As the province's exporters face increased competition in the worldwide marketplace, they will need solid market research and trade development support to prosper in our second century. A highly successful model of a partnership between industry and government, the Saskatchewan Trade and Export Partnership (STEP) provides the research, tools and strategies that the province's exporters need to capture new worldwide opportunities.

Saskatchewan is also attracting national and international attention with major projects and events ranging from the Canadian Light Source synchrotron to the Jeux du Canada Games, which were held in August in and around Regina, showcasing the beautifully redesigned Wascana Park. And the province is recognized as a world leader in products and technologies ranging from uranium and potash production to dryland farming techniques and equipment.

Saskatchewan has the proud distinction of having the most active voluntary sector in the country. The National Survey of Giving, Volunteering and Participating recently showed one-third of Saskatchewan residents contribute to the lives of others by annually providing volunteer work an average of 154 hours each – the highest in Canada.

We are working hard to build on our international recognition and get the message out: Saskatchewan can boast of world-class products, advantages and lifestyles – and it is a very good place to invest, work and live!

International Exports, by Industry



ACTIONS

- Partner with business to send Team Saskatchewan missions to markets around the world to build business relationships and generate leads in key sectors.
- Continue support for the Saskatchewan Trade and Export Partnership to assist exporters in reaching new markets, including short-term financing.
- Work with Canada's embassies and consulates around the world to promote Saskatchewan's competitive advantages and investment opportunities.

Saskatchewan is Attracting People From Around the World

Paula Negraes is a young Brazilian who has decided to make Saskatchewan her home. With a degree in Agriculture (Food Science) and a passion for science, writing and natural food products, Paula travelled to many parts of the world looking for "the perfect place to live."

Eventually, Paula's search brought her to Saskatchewan. This is how she describes her first visit to the province.

"It was a beautiful summer. The sun was shining and the sky was so blue. The first time I stepped on the land, I felt like I was finally home. There is something about the water, the people, the air and the sun in Saskatchewan that makes this place unique. It's like a hidden paradise ready to be discovered by people with good hearts and intentions."

Paula is currently completing her Masters of Science degree in Nutrition at the University of Saskatchewan (U of S), College of Pharmacy and Nutrition. Her plans for the future include commencing a PhD in Interdisciplinary Studies at the U of S in January 2006, having recently been awarded with a PhD scholarship by the Centre for Studies in Agriculture, Law and the Environment. She wants to develop her career as a researcher and consultant specializing in agriculture, food and health. And we are confident she will be a success – as Paula says, "Saskatchewan brings out the best in me."

Broaden our Economy, Workforce and Jobs

Expand the economy to spread new opportunities throughout the province

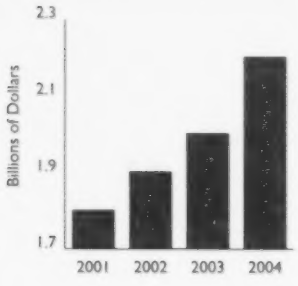
An expanding economy brings opportunities and prosperity to more people and enhances the quality of life enjoyed by Saskatchewan people.

Widening the sphere of opportunities in our second century means improving the employment prospects of more people, especially youth and First Nations and Métis people.

It also means supporting business and industry development, fostering safe and productive workplaces, enhancing access to capital and encouraging entrepreneurial growth throughout the province.

Our vision is to broaden and diversify our economy, harness the unique economic potential of our regions and invest in our greatest asset – our people – to equip and engage them in a rapidly changing and expanding economy.

Manufacturing Shipments for the Food Processing Industry



Support Manufacturing and Business Growth

In 2004, the province's manufacturing and processing industry employed nearly 30,000 people and generated close to $10 billion in manufacturing shipments.

Food and beverage processors are a traditional cornerstone of the manufacturing sector, producing over $2 billion in value-added goods a year and accounting for nearly 22 per cent of the province's total manufacturing output.

The machinery, transportation and industrial equipment hub is growing, and now produces goods ranging from electronic products to agricultural equipment valued at some $2 billion annually.

Saskatchewan's manufacturing industry continues to diversify and expand, with manufacturing investment in 2005 projected to increase by 58 per cent over the previous year.

Although the manufacturing industry faces a number of challenges such as increased competition and rising costs, there is potential for solid growth and the development of new, international markets.

Sustained manufacturing growth in our second century will require innovation, improved productivity, global marketing and the transfer of new technologies to stimulate further investment and expansion.

To make more investment capital available to rural and urban businesses, the province raised the ceiling on Labour-sponsored Venture Capital Corporation programs.

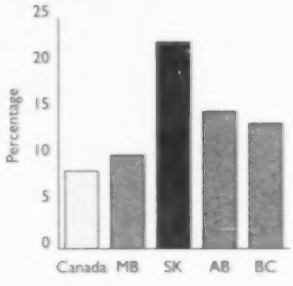
The province also expanded the Small Business Loans Association program to include young people, resulting in 39 loans totalling close to $400,000 approved in the first six months of operation.

This action plan builds on our momentum to boost manufacturing and enhance access to capital for more people and entrepreneurs across the province wanting to launch or expand a business.

ACTIONS

- Partner with the private sector to establish an entrepreneurial venture capital fund to provide capital for business start-up and expansion requiring less than $1 million.
- Through Investment Saskatchewan, invest in provincial companies that show growth potential.
- Provide support for young entrepreneurs and small businesses through an expanded Small Business Loans Association program.
- Attract investment and promote consortiums that encourage partnerships, technology transfer and skill development to retain and expand businesses and make them more competitive internationally.
- Promote our manufacturing sector as the advanced, vibrant sector it is, and exhibit the province's capabilities at targeted trade shows and investment attraction events.

Growth in Manufacturing Production, 2004



Tourism

Saskatchewan's rich natural and historical attractions, safe and stable setting and hospitable people draw millions of tourists to the province every year.

Generating some $1.4 billion annually, tourism represents one of the province's fastest growing industries over the past decade.

The 2005 Jeux du Canada Games attracted some 12,000 visitors to the province.

In recognition of tourism development in the province, Saskatchewan hosted Rendez-vous Canada in Saskatoon in May 2005, a premier industry marketplace to promote our tourism opportunities to the international market.

Saskatchewan's 100th birthday is an excellent time to capture new tourism opportunities as thousands of people come to the province to join in the centennial celebrations.

ACTIONS

- Increase funding to Tourism Saskatchewan to strengthen marketing and development initiatives to generate more visitor spending in the province.
- Establish tourist 'destination points' featuring several attractions centred around unique themes to draw more visitors to the province.

Film and Cultural Industries

Saskatchewan's film and video producers showcase Saskatchewan landscapes, talents and creative enterprise. The industry generates some $80 million in economic impact and accounts for nearly 1,000 jobs in the province – many of them filled by young people.

The world-class Canada-Saskatchewan Production Studio (The Soundstage) plays a central role in the production of Corner Gas, a popular comedy television series based on life in a small Saskatchewan town.

Cultural industries include book publishing and sound recording as well as commercial crafts and visual arts – with Saskatchewan individuals and institutions winning coveted national and international awards.

Saskatchewan is considered a leader in Canada for its innovative approach to supporting the province's rich and diverse cultural mosaic and heritage through arm's-length approaches such as the Saskatchewan Arts Board, the Community Initiatives Fund and the Saskatchewan Heritage Foundation.

This action plan builds on the province's ongoing support to create new opportunities for growth and jobs in our second century.

ACTIONS

- Identify and enhance the benefits of the film industry to the province through the Saskatchewan Film Employment Tax Credit.
- Provide film-related training opportunities to build capacity within the province to support the film industry.

Engage More People in the Workforce

Youth leaders at the Summit said young people want to build meaningful careers for themselves and their families, and that we need to increase awareness of their career options in the province.

Summit participants also recognized that our people are our greatest asset and said we need to equip and engage an increasing First Nations and Métis population in the workforce.

Youth

A growing economy will produce the jobs and careers our young people need to prosper in Saskatchewan. The challenge is to engage more youth in the expanding economy of our second century.

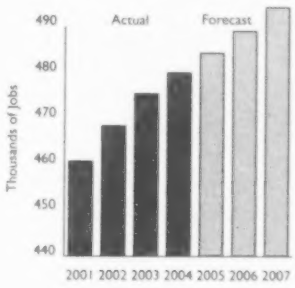
The Provincial Youth Advisory Committee (made up of 25 Saskatchewan young people) advises government on issues such as employment, education and attracting youth to the province. In addition, young people are engaged in economic decision-making, including being appointed to boards of directors of provincial Crown corporations.

The successful JobStart/Future Skills program currently provides training related to jobs, and the industry-led Saskatchewan Apprenticeship and Trade Certification Commission links apprenticeship training and certification with the need for skilled tradespeople.

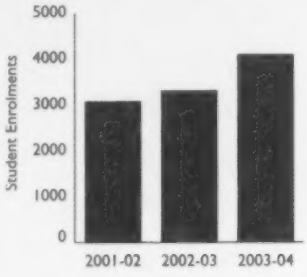
We will keep working with our partners in education, business and labour to provide on-the-job training, workplace experience and mentoring programs for young people. We will also help young people develop the entrepreneurial skills they need to start a new business or company.

The jobs and opportunities of our second century are coming online today, and we need skilled and trained people to fill them.

Employment Forecast



Enrolments in Work Based Training (JobStart/Future Skills Program)



ACTIONS

- Continue the Youth Opportunities Unleashed program to help young entrepreneurs realize their business ambitions with financing, training and mentorship.
- Improve student transitions from Grade 12 to post-secondary education or work-based learning opportunities and apprenticeship through career information and awareness initiatives.
- Partner with schools in rural, urban and northern Saskatchewan to launch five high school-to-apprenticeship pilot projects.
- Increase awareness among young people of the many business and career opportunities in Saskatchewan through programs such as:
  - the Your Future is Here campaign; and
  - SaskYouth.net, an online resource of opportunities for youth.

First Nations and Métis People

More First Nations and Métis people are entering the labour force as skilled workers, professionals and entrepreneurs. For example, First Nations and Métis stakeholders play a major role in forest development as owners of sawmills and as members of the Saskatchewan Forest Centre board of directors. And nearly one-half of northern mine employees are First Nations and Métis people.

First Nations and Métis students also now have more choices in trade and technical schools, universities and colleges with the opening of Regina's First Nations University of Canada, the country's first fully accredited First Nations university.

These are encouraging developments, but we must do more to open up the workplaces and opportunities of our second century to Saskatchewan's First Nations and Métis people.

First Nations and Métis youth will play an increasingly important role in Saskatchewan's future economy and workforce. This large, young segment of the population is sometimes referred to as the province's 'competitive advantage' in the face of an aging population and declining workforce.

ACTIONS

- Work in partnership with First Nations- and Métis-led agencies and educational institutions to equip and engage First Nations and Métis people in broadening the economy.

- Provide funding for equity, community development initiatives, and skills development to new and existing Métis businesses through the Clárence Campeau Development Fund.
- Expand partnerships through the First Nations and Métis Employment Development Program to promote stay-in-school messages, encourage career planning, link training directly to jobs and break down barriers to the employment of First Nations and Métis people.
- Continue support for the Multi-Party Training Plans in the forestry and mining sectors to train First Nations and Métis people and northern residents to work in those industries.

Harness the Economic Potential of our Regions

Saskatchewan's regions have distinct characteristics and capacities, and there is much we can do to harness their economic potential.

Currently, over 45 per cent of manufacturing establishments are centred in rural areas, supporting more than 40 per cent of the manufacturing jobs in the province. Our vision is of a thriving, diverse rural economy that capitalizes on the unique strengths and economic opportunities in the province's regions.

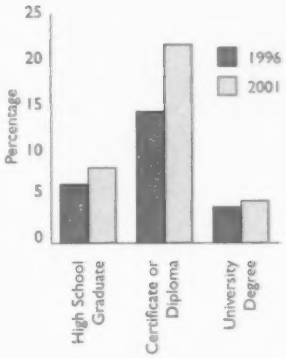
The government established a new department, Saskatchewan Rural Development, to bring together programs and services to further promote economic development and diversification in rural areas. A key priority for the government will be to carefully consider the May 2005 Action Committee on the Rural Economy (ACRE) Phase II Report, including recommendations on rural business development, infrastructure, tax competitiveness, opportunities for capital investment, trades training, immigration, and increased involvement of First Nations and Métis people.

ACTIONS

- Work with municipal and other partners to leverage local networks, retain and expand businesses and attract new investment.
- Work with our partners in education and industry to increase the capacity of regional colleges to respond to industry needs for skilled labour with operational and training funding.

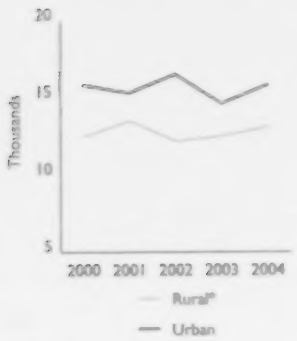
An expanding northern economy signals a unique opportunity for development with the full participation of northern residents – especially in the primary economic engines of the north: mining, forestry and tourism.

Educational Attainment of the Aboriginal Population (age 15+)



Summit participants recognized the immense potential in the province's regions.

Rural and Urban Manufacturing Employment



Statistics Canada
* excluding Regina and Saskatoon, their surrounding metropolitan areas

Other sectors of the northern economy with strong growth potential include transportation and construction services, commercial fishing and non-timber forest products, such as medicinal plants and wild mushrooms.

Launched in 2002, the Canada-Saskatchewan Northern Development Agreement provides $20 million in federal and provincial funds over five years to accelerate economic development and support the participation of northerners in the economy.

ACTIONS

- Continue support for northern regional economic development and encourage increased ownership and participation by northern residents and companies in small businesses and larger corporate enterprises.
- Support Northlands College in its delivery of post-secondary education and training in the north.

Manufacturing That is Truly 'Out of This World'

While Saskatchewan may be known for its pioneering work in precision agricultural equipment and for its growing food and beverage processing industry, many people are surprised at the diversity of the province's manufacturing sector.

For example, Saskatchewan manufacturers export ambulances to more than 50 countries around the world.

They also build world-class recreational vehicles and are leaders in highway trailer manufacturing. They manufacture military vehicles and railroad equipment and produce vehicle accessories such as steel grilles and truck lids.

The province's manufacturers create versatile building solutions ranging from sports complexes to aircraft hangars. And they engineer and manufacture advanced electronic systems for wireless Internet and for satellite communications that reach into outer space.

SED Systems of Saskatoon is currently constructing its second deep-space antenna for the European Space Agency (ESA). Each antenna is 12 storeys tall and 35 metres in diameter, making them among the largest such structures in the world. Located in Australia and Spain, these systems allow ESA to control deep space probes such as the Rosetta spacecraft during its nine-year journey to land on comet 67P/Churyumov-Gerasimenko – a world first!

Conclusion

We can act now to seize new opportunities and ensure a high quality of life

This year, Saskatchewan commemorates 100 years as a province of Canada.

Together, we are celebrating our safe, secure communities. We are confirming our traditional values that support the individual, the family and the community.

And we are proclaiming our healthy lifestyle and the natural beauty of our province – including our wide-open spaces and fresh, clean air.

The Centennial Summit revealed a heartfelt pride in Saskatchewan's past and a genuine optimism for its future. Summit participants recounted the province's many successes and achievements and noted its tremendous potential for future growth and prosperity.

We have the economic momentum and the foundation. We are ready.

A New Century of Opportunity

At the same time, there was a clear message that now is the time for decisive action.

Summit participants and Saskatchewan people recognize that this is the time for bold leadership and clear direction to meet the challenges and seize the opportunities before us.

The Saskatchewan Action Plan for the Economy responds to that call. It sets out a vision and an action framework for growth, jobs, and prosperous communities and regions in our second century.

Such a vision requires new partnerships between governments, business, labour, research and academic communities, and First Nations and Métis people.

It calls for the same Saskatchewan spirit of hard work, courage, co-operation and innovation that served this province so well over the past one hundred years.

And it demands the very best of each one of us, as we strive to reap the rewards of our efforts – today and for the generations that follow us.

The province stands on the threshold of a new century of opportunity. This action plan takes us across that threshold and into a century of economic growth and prosperity for Saskatchewan people.

Government of Saskatchewan

Saskatchewan Centennial 2005